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**Legislative Bulletin.....September 24, 2003**

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**H.R. 3146—To extend the Temporary Assistance for Needy Families block grant program and certain tax and trade programs (Thomas)**

**Order of Business:** The bill is scheduled to be considered on Wednesday, September 24, 2003, under a motion to suspend the rules and pass the bill.

**Summary:** H.R. 3146 would extend through March 31, 2004, the Temporary Assistance for Needy Families (TANF) block grant program (including the standard grants, supplemental grants, and related provisions). The bill also would extend funding for mandatory child care, abstinence education, and transitional medical assistance (TMA) for this same period. Grants and payments during this period would be at the level provided for the first two quarters of fiscal year 2002.

In the 107<sup>th</sup> Congress (H.R. 4737) and in the 108<sup>th</sup> Congress (H.R. 4) the House passed complete welfare reauthorization bills. The Senate did not consider the 107<sup>th</sup> bill and has yet to consider the 108<sup>th</sup> bill. Until a welfare reauthorization bill is signed into law, the welfare programs, which are mandatory spending, expire. Earlier this year, President Bush signed into law (Public Law 108-40; H.R. 2350) an extension of federal welfare programs through September 30, 2003. Since September 2002, there have been four short-term extensions of TANF (P.L. 107-229, P.L. 107-294, P.L. 108-7, and P.L. 108-40). H.R. 3146, if signed into law, would temporarily continue the programs last authorized in 1996.

Unlike previous extensions of TANF, H.R. 3146 would also extend certain expiring tax provisions, as follows:

- Extends through December 31, 2004, the authority for the IRS to charge specified fees for the service of providing a ruling in advance on the tax treatment of a proposed transaction, a pension plan, or a tax-exempt entity.
- Extends through December 31, 2004, the authority for the IRS to share tax return information with the Department of Education for the purpose of administering income-contingent student loans. This allows Education to continue checking adjusted gross income, filing status, and identify information.
- Extends through March 31, 2004, the authority that allows the Customs and Border Protection Agency to collect fees related to processing passengers and cargo entering the United States.
- Extends Medicare's QI-1 (Qualifying Individuals 1) Program through March 31, 2004. Under this program, according to the Ways & Means Committee, state Medicaid programs pay Part B premiums (currently \$58.70 per month) for certain low-income Medicare beneficiaries (between 120% and 135% of the federal poverty level).

To see the May 16, 2002, RSC Legislative Bulletin for H.R. 4737 go to:  
<http://www.house.gov/burton/RSC/Lb51502.pdf>

To see the February 13, 2003 RSC Legislative Bulletin for H.R. 4 go to  
<http://www.house.gov/burton/RSC/Lb21303.pdf>

**Committee Action:** The bill was referred on September 23, 2003 to the Ways & Means, Energy & Commerce, and Budget Committees. The bill was not considered and is coming straight to the floor.

**Cost to Taxpayers:** A cost estimate is presently unavailable.

**Does the Bill Create New Federal Programs or Rules?:** The bill would only extend portions of current law.

**Constitutional Authority:** A Committee report citing constitutional authority is unavailable.

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## **H.R. 3087—Surface Transportation Extension Act (Young of Alaska)**

**Order of Business:** The bill is scheduled to be considered on Wednesday, September 24<sup>th</sup>, under a motion to suspend the rules and pass the bill.

**Summary:** H.R. 3087 would extend for five months (through February 29, 2004) highway, highway safety, motor carrier safety, transit, and other programs funded out of the Highway Trust Fund, pending enactment of a law reauthorizing the Transportation Equity Act for the 21st Century (112 Stat. 116). Funding levels would be tied to the Budget Resolution for FY2004 and would be apportioned to states in proportion to their share of FY2003 federal

highway dollars. Funds received by a state under this extension would be deducted from the state's total FY2004 authorization in the pending multi-year reauthorization.

The provision in the Internal Revenue Code that prohibits the expenditure of funds from the Highway Trust Fund after October 1, 2003 would be amended to allow the Department of Transportation to disburse funds into next summer (July 1, 2004).

The bill would prevent any reductions in highway spending for FY2004 that would occur because of the current-law alignment of such spending with revenues into the Highway Trust Fund (Revenue-Aligned Budget Authority—RABA). Further, the bill would express a sense of Congress that the multiyear reauthorization bill include a restructuring of RABA, in order to “minimize year-to-year fluctuations in highway spending levels and to ensure the uniform enforcement of such levels.”

### **Highlights**

- H.R. 3087 would provide five months of contract authority and five months of obligation limitation (\$14.1 billion) for the federal highway program.
- The remainder of the FY2004 obligation limitation would be distributed by the Secretary of Transportation next year upon enactment of a multiyear reauthorization bill or June 1, 2004 (whichever is earlier).
- States would be given flexibility to transfer funds among programs during the five-month period.
- The bill contains a restoration mechanism by which transferred funds would be reconciled in subsequent legislation for each program in each state, so that by the end of FY2004, the full FY2004 amount for each state in each program will be distributed.
- \$187.5 million could be drawn from the Highway Trust Fund for administrative expenses of the federal highway program in FY2004.
- Authorization limits for the five-month extension period (October 1, 2003 through February 29, 2004) for other federal highway programs would be set as follows:
  - Indian reservation roads: \$114.6 million
  - Public land highways: \$102.5 million
  - Park roads and parkways: \$68.8 million
  - Refuge roads: \$8.3 million
  - National corridor planning ad development/ Coordinated border infrastructure programs: \$58.3 million
  - Ferry boat and terminal construction: \$15.8 million
  - National scenic byways program: \$11.5 million
  - Value pricing pilot program: \$4.6 million
  - Highway use tax evasion projects: \$2.1 million
  - Puerto Rico highway program: \$2.1 million
  - Safety grants: \$208,333

- Transportation and community and system preservation pilot program: \$10.4 million
  - Transportation infrastructure finance and innovation: \$58.3 million
  - Surface transportation research: \$43.8 million
  - Technology deployment program: \$22.9 million
  - Training and education: \$8.8 million
  - Bureau of Transportation Statistics: \$12.9 million
  - ITS standards, research, operational tests, and development: \$47.9 million
  - ITS deployment: \$51.7 million
  - University transportation research: \$11.3 million
  - Metropolitan planning: \$100.0 million
  - Territories (Guam, Virgin Islands, etc.): \$15.2 million
  - Alaska Highway: \$7.8 million
  - Operation Lifesaver: \$208,333
  - Bridges (discretionary): \$41.7 million
  - Interstate maintenance: \$41.7 million
  - Recreational trails (administrative costs): \$312,500
  - Railway-highway crossing hazard elimination in high-speed rail corridors: \$2.2 million
  - Nondiscrimination training: \$4.2 million
  - On-the-job training: \$4.2 million
- Authorization limits for the five-month extension period (October 1, 2003 through February 29, 2004) for highway safety programs would be set as follows:
    - Seat belt safety incentive grants: \$46.7 million
    - Prevention of intoxicated drivers incentive grants: \$50.0 million
    - Chapter Four highway safety programs: \$68.8 million
    - Highway safety research and development: \$30.0 million
    - Occupant protection incentive grants: \$8.3 million
    - Alcohol-impaired driving countermeasures incentive grants: \$16.7 million
    - National Driver Register: \$833,333
    - Federal Motor Carrier Safety Administration: \$71.5 million
    - Motor Carrier Safety Assistance Program: \$68.8 million
    - Information systems and commercial driver's license grants: \$8.3 million
    - Crash causation study: \$416,667
  - The bill would extend all currently authorized federal transit programs for five months, from October 1, 2003 through February 29, 2004.
  - Formula transit grants would be authorized at \$1.3 billion (from the Highway Trust Fund) plus \$323.4 million (from the general fund) for the five-month extension period. Of the aggregate amounts authorized, \$2.0 million would be for the Alaska Railroad, and 6.37% would be for non-urban areas (most of the rest would be for urban areas).
  - Capital program authorizations would be \$1.0 billion (from the Highway Trust Fund) plus \$255.8 million (from the general fund) for the extension period.

- Authorization limits for other transit programs for the extension period would be set as follows:
  - Planning: \$24.6 million (from the Highway Trust Fund) plus \$6.1 million (from the general fund)
  - Research: \$16.6 million (from the Highway Trust Fund) plus \$4.1 million (from the general fund)
  - University transportation research: \$2.0 million (from the Highway Trust Fund) plus \$505,833 (from the general fund)
  - Job access and reverse commute program: \$50.5 million (from the Highway Trust Fund) plus \$12.6 million (from the general fund)
  - Rural transportation accessibility incentive program: \$2.2 million (from the Highway Trust Fund) plus \$708,333 (from the general fund)
  - Fuel cell bus and bus facilities program: \$2.0 million
  - Advanced technology pilot program: \$2.1 million
  
- Authorization limits for sport fishing and boating safety programs for the extension period would be set as follows:
  - National outreach and communications: \$4.2 million
  - Clean Vessel Act funding: \$34.2 million

**Committee Action:** On September 16, 2003, the bill was referred to the Transportation & Infrastructure Committee, the Resources Committee, the Budget Committee, and the Ways & Means Committee. On September 17, 2003, the bill was referred to the Subcommittee on Highways, Transit and Pipelines. No committee or subcommittee has considered the bill.

**Cost to Taxpayers:** A cost estimate is unavailable.

**Does the Bill Create New Federal Programs or Rules?:** No.

**Constitutional Authority:** A committee report citing constitutional authority is unavailable.

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## **Crowley Motion to Instruct Conferees on H.R. 1588—National Defense Authorization Act for Fiscal Year 2004**

**Order of Business:** On Tuesday, September 23, 2003, Rep. Crowley (D-NY) notified the House of his intention to offer a motion to instruct on H.R. 1588, the National Defense Authorization Act for fiscal year 2004.

**Summary of Motion:** The motion instructs the House conferees to agree to the provisions of Section 701 of the Senate bill.

Section 701 would require the Department of Defense (DoD) to provide expanded health care benefits to members of the selected reserve and certain members of the Individual Ready Reserve in two ways. First, qualified reservists would be able to participate in DoD's TRICARE program with either self-only coverage or self-and-family coverage, even if the reservist has not been called to active duty. Second, those reservists who chose not to enroll in TRICARE would have a portion of their private health insurance premiums paid by DoD when they are called to active duty. In total, CBO estimates that implementing section 701 would cost \$466 million in 2004 and almost \$7.3 billion over the 2004-2008 period, assuming appropriation of the estimated amounts.

Section 701 also would allow DoD to provide medical and dental screening to members of the selected reserve who are assigned to units that have been alerted for mobilization. Under current law, DoD cannot provide this screening until the reservist has been mobilized. CBO does not expect that speeding up these evaluations would increase the overall amount of medical and dental screening DoD provides to reservists. Because this provision would allow DoD to provide some medical and dental screening earlier than it otherwise would, CBO estimates that implementing the authority would likely affect the timing of outlays but that the net effect would be insignificant.

**Cost to Taxpayers:** Any motion to instruct conferees is non-binding and thus would have no effect on the cost of the underlying legislation.

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## **Kind Motion to Instruct Conferees on H.R. 1—Medicare Prescription Drug Modernization Act of 2003**

**Order of Business:** On Tuesday, September 23, 2003, Rep. Kind (D-WI) notified the House of his intention to offer a motion to instruct conferees on H.R. 1, the Medicare Prescription Drug Modernization Act of 2003. An identical motion offered by Rep. Stenholm failed by a vote of 202-213 on September 23 (<http://clerkweb.house.gov/cgi-bin/vote.exe?year=2003&rollnumber=510>).

**Summary of Motion:** Directs the House conferees:

- **To recede to the Senate language on a federal fallback drug plan.**
- To reject the House provisions revising inpatient payments for acute care hospitals (the House bill provides for payments in 2004-2006 of market basket minus 0.4%, which the Senate has no provision).
- To recede to the Senate on a variety of provisions related to rural health care in Title IV or to the House provision, generally based on whichever is more generous (note: conferees have already reached agreement on several rural health issues). The Senate provisions are as follows:
  - **Increased payments for low volume hospitals (no House provision. CBO score of \$1.9 billion).**

- **Elimination of DSH cap for small hospitals (House increases the cap. CBO score of \$3 billion).**
- Increase to 25 beds that could be used for acute care in critical access hospitals (conferees have agreed to this provision)
- Elimination of isolation test for critical access hospital ambulance services (House provides exemption for first responders).
- Exclusion of critical access hospitals from wage indexing.
- Establishment of a Rural Community Hospital Demonstration Program
- Establishment of Critical Access Hospital Improvement Demonstration Program.
- Increased DSH payments for hospitals with high indigent care revenues (no House provision. CBO score of \$100 million).
- Set floor on work geographic adjusters for payment of physicians at .98 in 2004 and sets floor of 1.0 on work, practice, expense, and malpractice geographic adjusters from 2005-2007 (House bill sets work geographic adjuster at 1.0 for 2004 and 2005. **CBO score for House provision is \$0.6 billion, Senate provision is \$4.8 billion**).
- Two year 5% increase for rural ambulance payments, starting Jan. 1, 2005.
- Payment of 100% of costs for clinical diagnostic tests furnished by sole community hospitals
- GAO study of geographic differences in physician payments.
- Authorization of payment for all Part B services provided by Indian hospitals and clinics.
- Caps home health wage index changes at 3% (no House provision. CBO score of \$200 million).
- Two year 10% increase in payments for rural home health (House bill has two year 5% increase, CBO score of Senate provision is \$400 million).
- Increase in Medicaid DSH allotment for 2004 and 2005.

House provisions:

- Immediate increase of uniform standardized amount in rural and small urban hospitals
- New essential rural hospital classification under which hospital would be paid 102% of costs for inpatient and outpatient services (No Senate provision, CBO score of \$400 million).
- Increased payments for critical access hospitals to 102% of costs (conferees have agreed to increase to 101% of costs).
- On-call payments to physician assistants, nurse practitioners, and clinical nurse specialists in critical access hospitals (conferees have agreed to this provision).
- Reinstatement of periodic interim payment for critical access hospitals (conferees have agreed to this provision).
- Decreases labor share from 71% to 62% in low wage areas, starting in FY 2004 (Senate has same provision starting in FY 2005, House provision costs \$400 million more than Senate provision).
- Authorizes incentive payments for physician scarcity areas.

- Wage index classification reform increasing wage index for certain hospitals.
- Sets a minimum update of 1.5% to the physician fee schedule for 2004 and 2005 (no Senate provision, CBO score of \$200 million).
- Medicaid DSH allotment increase in FY 2004 equal to 120% of FY 2003. Future payments increase by CPI-U.

**Cost to Taxpayers:** Any motion to instruct conferees is non-binding and thus would have no effect on the cost of the underlying legislation.

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